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# **gip ANNUAL REPORT**

GENERAL PRODUCTS MFG. CORPORATION LIMITED

**1969**

# GENERAL PRODUCTS MFG. CORPORATION LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	DECEMBER 31, 1969	DECEMBER 31, 1968
<b>ASSETS</b>		
Cash .....	\$ 17,584	\$ 23,341
Prepaid expenses and accrued income .....	9,018	6,434
Investments, at cost		
Term deposits .....	225,000	375,000
Government of Canada bonds (market value of \$244,275 in 1969) (1968 - \$343,975) .....	245,950	345,350
Shares of companies having a quoted market value of \$1,897,084 (1968 - \$1,569,200) .....	1,762,695	1,425,354
Shares of companies not having a quoted market value .....	239,200	239,200
Shares of affiliated company, at cost (Note 1) ....	531,984	531,984
Mortgages .....	28,807	45,944
Special refundable tax .....	3,033,636	1,489
	<u>3,033,636</u>	<u>2,964,321</u>
Fixed assets, at cost		
Land .....	1,000	1,000
Buildings .....	58,392	63,648
Equipment .....	28,996	34,003
	<u>88,388</u>	<u>98,651</u>
Accumulated depreciation .....	68,650	29,620
	<u>19,738</u>	<u>69,031</u>
	<u>\$3,079,976</u>	<u>\$3,023,716</u>
<b>LIABILITIES</b>		
Accounts payable and accrued .....	\$ 4,574	\$ 15,128
Income taxes payable (recoverable) .....	(284)	4,305
Shareholders' equity		
Capital issued and outstanding (Note 2)		
"A" Common stock — 75,000 shares .....	18,750	18,750
"B" Common stock — 25,000 shares .....	6,250	6,250
	<u>25,000</u>	<u>25,000</u>
Consolidated retained earnings .....	3,050,686	2,979,283
	<u>3,075,686</u>	<u>3,004,283</u>
	<u>\$3,079,976</u>	<u>\$3,023,716</u>

(See accompanying notes to the consolidated financial statements)

Signed on behalf of the Board

J. G. THOMPSON, *Director*  
D. G. WALLACE, *Director*

# GENERAL PRODUCTS MFG. CORPORATION LIMITED

## *Directors' Report*

TO THE SHAREHOLDERS:

1969 was a difficult year from an investment standpoint with share indices in both the Canadian and United States' markets declining substantially during the year. Under these circumstances, it is gratifying that the market value of the Company's shareholdings showed a modest appreciation over cost at the year-end.

It will be recalled from previous Reports that your Company has been responsible for the management of its former operating subsidiaries on behalf of Tube Investments Limited pending the establishment by T.I. of its own facilities in Canada. This arrangement was entered into on an interim three-year basis which expires this year and Messrs. John D. Judge and J. R. Swann, the President and Treasurer of the Company, have elected to transfer to similar posts with the new Canadian holding company set up by Tube Investments. We are grateful indeed for the contributions these gentlemen have made to the Company and we look forward to a continuing close association with them.

It is hoped that in the current year some of the uncertainties which have been plaguing business will be resolved. If inflationary pressures can be relieved and if there can be a reasonable solution of the White Paper proposals for tax reform, which have serious implications for both the overall direction of the economy and for investments in Canada, the outlook for the next decade will be much improved.

ON BEHALF OF THE BOARD OF DIRECTORS

J. G. THOMPSON,  
*Chairman*

April, 1970



# GENERAL PRODUCTS MFG. CORPORATION LIMITED

## CONSOLIDATED STATEMENT OF EARNINGS

YEAR ENDED DECEMBER 31	1969	1968
Income		
Interest earned .....	\$ 37,394	\$ 94,128
Dividends received from affiliated company .....	20,000	20,000
others .....	<u>72,684</u>	<u>39,983</u>
Management fees and sundry income .....	136,600	135,871
Rental from properties .....	<u>22,249</u>	<u>41,149</u>
	288,927	331,131
Expenses (Note 3)		
Property expenses .....	26,226	41,318
Remuneration of directors and senior officers .....	142,885	135,886
General office and administrative expenses .....	<u>53,984</u>	<u>50,762</u>
	223,095	227,966
Earnings before taxes .....	65,832	103,165
Provision for (recovery of) income taxes (Note 4) ...	<u>(5,571)</u>	<u>32,496</u>
Net earnings for the year .....	<u>\$ 71,403</u>	<u>\$ 70,669</u>

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

YEAR ENDED DECEMBER 31	1969	1968
Balance at January 1 .....	\$2,979,283	\$2,879,660
Net earnings for the year .....	71,403	70,669
Surplus arising from sale of fixed assets .....	<u>          </u>	<u>36,316</u>
	3,050,686	2,986,645
Investment loss including loss on foreign exchange ..	<u>          </u>	<u>7,362</u>
Balance at December 31 .....	<u>\$3,050,686</u>	<u>\$2,979,283</u>

(See accompanying notes to the consolidated financial statements)

# GENERAL PRODUCTS MFG. CORPORATION LIMITED

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED DECEMBER 31	1969	1968
Cash at January 1 .....	\$ 23,341	\$197,355
Source of funds:		
Net earnings for the year .....	71,403	70,669
Depreciation charged .....	4,626	13,361
Sale of fixed assets .....	5,256	198,882
Repayments of mortgages and special refundable tax .....	18,626	53,517
	<u>\$123,252</u>	<u>\$533,784</u>
Application of funds:		
Increase in investments .....	\$ 87,941	\$322,557
Reduction in income taxes and accounts payable .....	15,143	63,292
Sundry .....	2,584	5,593
Investment loss including loss on foreign exchange .....		7,362
Redemption of second preference stock .....		111,639
	<u>105,668</u>	<u>510,443</u>
Cash at December 31 .....	<u>17,584</u>	<u>23,341</u>
	<u>\$123,252</u>	<u>\$533,784</u>

(See accompanying notes to the consolidated financial statements)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### DECEMBER 31, 1969

Note 1 This investment comprises 395,390 shares of the common stock of Supertest Petroleum Corporation Limited.

Note 2 Authorized capital of the company at December 31, 1969 and 1968 was:

3% Non-cumulative convertible first preference shares redeemable at the par value of 25 cents each .....	1,599,000 shares
3% Non-cumulative second preference shares redeemable at the par value of 25 cents each .....	1,000 shares
"A" Common stock, of no par value .....	125,000 shares
"B" Common stock, of no par value .....	25,000 shares

Note 3 Expenses include Depreciation of \$4,626 (1968 \$13,361).

Note 4 Income taxes recoverable of \$5,571 in the consolidated statement of earnings for the year ended December 31, 1969 includes the anticipated recovery of \$7,600 of income taxes paid in 1968 by the parent company. This recovery results from the carry-back to 1968 of the loss for income tax purposes incurred by this company in 1969 and is reduced in the consolidated financial statements by income taxes on foreign investment income and by income taxes payable by a subsidiary.

## AUDITORS' REPORT

To the Shareholders of  
General Products Mfg. Corporation Limited

We have examined the consolidated statement of financial position of General Products Mfg. Corporation Limited as at December 31, 1969 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

London, Canada.  
January 29, 1970.

CLARKSON, GORDON & CO.  
Chartered Accountants



# GENERAL PRODUCTS MFG. CORPORATION LIMITED

HEAD OFFICE: 660 RICHMOND STREET, LONDON, CANADA

## *Directors*

S. C. BACON  
F. W. P. JONES  
JOHN D. JUDGE  
D. D. C. McGEACHY  
R. W. ROBERTSON  
V. T. ROSS  
J. H. STEVENS  
J. A. TAYLOR  
A. S. THOMPSON  
JAMES G. THOMPSON  
J. G. THOMPSON  
D. G. WALLACE

## *Officers*

### *Chairman of the Board and President*

J. G. THOMPSON

### *Vice-Chairman*

A. S. THOMPSON

### *Vice-Presidents*

JAMES G. THOMPSON

D. D. C. McGEACHY

### *Vice-President and Secretary-Treasurer*

D. G. WALLACE

